Navy Working Capital Fund

The FMB-4 Perspective

OASN (FM&C), FMB-4

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The FMB-4 Perspective

- Operating Budget
- Capital Program Budget
- Carryover Budget
- NSWC Requested Topics

Operating Budget

- Rates = Affordability
- Labor Costs
  - Impact on Rates
  - Pricing
- Overhead Costs = Growth & Justification

Capital Program Budget

- In comparison with depreciation
- In relation to BRAC 05
  - Focus on Construction
- Relevance to Mission

Carryover Budget

- Moving towards Outlay-Based Metric
- Transition not yet complete (Congressional buy-in)
- Paradigm shift
  - Lengthy
  - Turbulent
- New metric
  - Designed to align WCF metric with General Fund metric
  - Not designed to increase ceilings
- Analytical approach
  - More complicated to manage
  - Not just “how much”, but “what kind”

Carryover cont.

- Funds Acceptance Policies Lacking
  - Bona fide need
  - Ability to perform
- If you can’t do the work in a timely manner, don’t accept the funds
- Outlay metric does not provide relief

NSWC Requested Topics

- Workload Validation
- Counter Terrorism / Force Protection
- ICC Round 2
- Due Dates
- Other Topics

Workload Validation

- Adjustments established in PBD 714 and incorporated in PBD 426
- Details may shift, but adjustments are locked
- Similar to Strategic Sourcing initiative

Counter Terrorism / Force Protection

- Baseline costs included in FY 04 Pres Bud
- Threat level assumptions are unchanged
- Treated in review like other overhead expenses
  - Justify growth

ICC Round 2

- Establish Chief of Naval Installations
  - One manager of all facilities
- Adjustments built in to FY 2004 Budget
  - Debate continues on operational structure
  - Financial assumptions not changing at this time

Due Dates

- OSD has circulated a new draft framework of budget review and schedule
- Due dates can not be fixed at this time
- Anticipate submission after appropriated fund review has been initiated and major issues discussed
- Fluid evolution of process

Other Topics

- BAH Study
- BRAC 05
- Supplementals
- Armed Conflict

- Proceed – expect guidance or marks